

**NOTICE OF PROBABLE VIOLATION  
and  
PROPOSED CIVIL PENALTY**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED**

July 2, 2009

Mr. Gene Cotton  
Vice President of Refinery  
Big West of California, LLC  
6451 Rosedale Highway  
Bakersfield, CA 93302-1132

**CPF 5-2009-0019**

Dear Mr. Cotton:

On March 24 and 25, 2009, a representative of the Pipeline and Hazardous Materials Safety Administration (PHMSA), pursuant to Chapter 601 of 49 United States Code, inspected your Bakersfield Gas Line located in the State of California.

As a result of the inspection, it appears that you have committed probable violations of the Pipeline Safety Regulations, Title 49, Code of Federal Regulations. The items inspected and the probable violations are:

**1. §192.705 Transmission lines: Patrolling.**

**(a) Each operator shall have a patrol program to observe surface conditions on and adjacent to the transmission line right-of-way for indications of leaks, construction activity, and other factors affecting safety and operation.**

**(b) The frequency of patrols is determined by the size of the line, the operating pressures, the class location, terrain, weather, and other relevant factors, but**

intervals between patrols may not be longer than prescribed in the following table:

(c) **Methods of patrolling include walking, driving, flying or other appropriate means of traversing the right-of-way.**

Class location of line	Maximum interval between patrols	
	At highway and railroad crossings	At all other places
1, 2	7 1/2 months; but at least twice each calendar year	15 months; but at least once each calendar year
3	4 1/2 months; but at least four times each calendar year	7 1/2 months; but at least twice each calendar year
4	4 1/2 months; but at least four times each calendar year	4 1/2 months; but at least four times each calendar year

Under 49 C.F.R. §192.705(c), an operator must patrol their pipeline in Class 3 locations at least four (4) times per calendar year and at intervals not exceeding 4 ½ months. During the inspection, Big West personnel confirmed that they did not conduct the required patrols of its pipeline in Class 3 locations at highway and railroad crossings from May 17, 2006, the date of the last PHSMA inspection, through December 19, 2008. Big West also failed to provide the inspector with any of the required pipeline patrolling records for that 31-month period.

2. **§192.706 Transmission lines: Leakage surveys.**

**Leakage surveys of a transmission line must be conducted at intervals not exceeding 15 months, but at least once each calendar year. However, in the case of a transmission line which transports gas in conformity with §192.625 without an odor or odorant, leakage surveys using leak detector equipment must be conducted-**

- (a) In Class 3 locations, at intervals not exceeding 7 1/2 months, but at least twice each calendar year; and**
- (b) In Class 4 locations, at intervals not exceeding 4 1/2 months, but at least four times each calendar year.**

Under 49 C.F.R. §192.706(a), an operator must conduct natural gas leak surveys of their pipeline in Class 3 locations at least twice each calendar year and at intervals not exceeding 7 ½ months. During the inspection, Big West personnel confirmed that they did not conduct the required leak survey of its pipeline in Class 3 locations from May 17, 2006, the date of the last PHSMA inspection, through December 19, 2008. Big West also failed to provide the inspector with any of the required pipeline leak surveys records for that 31-month period.

**3. §192.739 Pressure limiting and regulating stations: Inspection and testing.**

**(a) Each pressure limiting station, relief device (except rupture discs), and Pressure regulating station and its equipment must be subjected at intervals not exceeding 15 months, but at least once each calendar year, to inspections and tests to determine that it is—**

**(1) In good mechanical condition;**

**(2) Adequate from the standpoint of capacity and reliability of operation for the service in which it is employed;**

**(3) Except as provided in paragraph (b) of this section, set to control or relieve at the correct pressure consistent with the pressure limits of §192.201(a);; and**

**(4) Properly installed and protected from dirt, liquids, or other conditions that might prevent proper operation.**

Under 49 C.F.R. §192.739, an operator must inspect and test their primary relief device at least once each calendar year and at intervals not to exceed 15 months. During the inspection, Big West staff stated that they did not inspect and test the relief device for its pipeline for 2006, 2007, and 2008. Big West also failed to provide the inspector with any of the required relief device inspection records for that three (3) year period.

**4. §192.743 Pressure limiting and regulating stations: Capacity of relief devices.**

**(a) Pressure relief devices at pressure limiting stations and pressure regulating stations must have sufficient capacity to protect the facilities to which they are connected. Except as provided in §192.739(b), the capacity must be consistent with the pressure limits of §192.201(a). This capacity must be determined at intervals not exceeding 15 months, but at least once each calendar year, by testing the devices in place or by review and calculations**

**(b) If review and calculations are used to determine if a device has sufficient capacity, the calculated capacity must be compared with the rated or experimentally determined relieving capacity of the device for the conditions under which it operates. After the initial calculations, subsequent calculations need not be made if the annual review documents that parameters have not changed to cause the rated or experimentally determined relieving capacity to be insufficient.**

**(c) If a relief device is of insufficient capacity, a new or additional device must be installed to provide the capacity required by paragraph (a) of this section.**

Under 49 C.F.R. §192.743, an operator must test or review and calculate the relief device capacity at least once each calendar year and at intervals not to exceed 15 months. During the inspection, Big West staff admitted that they did not test or review and calculate the required relief device capacity of its pipeline for 2006, 2007, and 2008. Big West also failed to provide the inspector with any of the required capacity inspection records for the previous three (3) years.

**5. §192.465 External corrosion control: Monitoring.**

**(b) Each cathodic protection rectifier or other impressed current power source must be inspected six times each calendar year, but with intervals not exceeding 2 1/2 months, to insure that it is operating.**

Under 49 C.F.R. §192.465(b), an operator must inspect each rectifier at least six (6) times each calendar year and at intervals not exceeding 2 ½ months. Between April 28, 2008 and September 19, 2008, Big West failed to comply with the inspection of their rectifier, exceeding the maximum rectifier inspection interval by 68 days.

**6. §192. 465 External corrosion control: Monitoring.**

**(c) Each reverse current switch, each diode, and each interference bond whose failure would jeopardize structure protection must be electrically checked for proper performance six times each calendar year, but with intervals not exceeding 2 1/2 months. Each other interference bond must be checked at least once each calendar year, but with intervals not exceeding 15 months.**

Under 49 C.F.R. §192.465(c), an operator must inspect each critical interference bond at least six (6) times each calendar year and at intervals not exceeding 2 ½ months. Between April 28, 2008 and September 19, 2008, Big West did not inspect their critical interference bond at the proper frequency, exceeding the maximum inspection interval by 68 days.

Proposed Civil Penalty

Under 49 United States Code, § 60122, you are subject to a civil penalty not to exceed \$100,000 for each violation for each day the violation persists up to a maximum of \$1,000,000 for any related series of violations. The Compliance Officer has reviewed the circumstances and supporting documentation involved in the above probable violation(s) and has recommended that you be preliminarily assessed a civil penalty of \$122,600.00 as follows:

<u>Item number</u>	<u>PENALTY</u>
1	\$22,500.00
2	\$22,500.00
3	\$22,500.00
4	\$22,500.00
5	\$16,300.00
6	\$16,300.00

Response to this Notice

Enclosed as part of this Notice is a document entitled *Response Options for Pipeline Operators in Compliance Proceedings*. Please refer to this document and note the response options. Be advised that all material you submit in response to this enforcement action is subject to being made publicly available. If you believe that any portion of your responsive material qualifies for confidential treatment under 5 U.S.C. 552(b), along with the complete original document you must provide a second copy of the document with the portions you believe qualify for confidential treatment redacted and an explanation of why you believe the redacted information qualifies for confidential treatment under 5 U.S.C. 552(b). If you do not respond within 30 days of receipt of this Notice, this constitutes a waiver of your right to contest the allegations in this Notice and authorizes the Associate Administrator for Pipeline Safety to find facts as alleged in this Notice without further notice to you and to issue a Final Order.

In your correspondence on this matter, please refer to **CPF 5-2009-0019** and for each document you submit, please provide a copy in electronic format whenever possible.

Sincerely,

Chris Hoidal  
Director, Western Region  
Pipeline and Hazardous Materials Safety Administration

Enclosure: *Response Options for Pipeline Operators in Compliance Proceedings*

cc: PHP-60 Compliance Registry  
PHP-500 H. Nguyen (#123242)